

IRAN

I. Iranian-Soviet relations continue strained, as they have been for more than a year.

A. Tehran has just withdrawn its Ambassador from Moscow, stating that he will not go back until the return of Soviet Ambassador Pegov, who has been absent from Tehran for four months. 25X1

B. Radio Moscow, the East German Radio [redacted] continue their propaganda attacks against the Iranian government, the Shah and US missions in Iran.

C. Moscow is still insisting that Iran agree in writing to ban all military bases in the country. Tehran refuses, claiming that the Shah's repeated public statements that Iran will not become a base for attack on the USSR are sufficient.

II. Dissatisfaction with the Shah's regime remains a constant feature of Iranian opinion but at the moment no person or group appears to be in a position to exploit it.

A. The Turkish coup d'etat produced increased restlessness among the opposition elements and furthered a belief that the time was approaching for a similar change in Iran.

B. The Shah's close identification with day to day operations of his government is a major liability and a cause of dissatisfaction among many of the politically articulate. Under the urging of top officials, he now says he will reduce this role.

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1. The elections, which will probably start in late July or early August, will provide a good indication of his intentions.
 2. Although the Shah has promised "free" elections, he has limited the choice to candidates which he approves from the two recognized parties which he formed. *a few carefully chosen independents*
 3. This system, *however,* may eliminate some of the most glaring features of previous elections, which have included stuffed, switched or stolen ballot boxes and direct coercion of the voters.
 4. The Shah has also indicated clearly that *he expects* the pro-government nationalist party will end up with the majority in parliament.
- C. Although the fate of most of the high-ranking army officers is too closely tied to the regime to produce any great revolutionary fervor, a *few* small group of army officers *are known to him* [of little prominence] have been plotting for months.
1. There is little indication, however, that they have the capability or the wide support necessary for effective action.
- D. Nonetheless, we feel that the underlying situation is such that an attempt to overthrow the government could occur with little warning, sparked either accidentally or by a small group hoping for a quick and easy victory.

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